

Corporate Waste Management Policies and Procedures—Disposition of Assets—Space Reduction

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ABSTRACT: This document establishes a policy that provides guidelines for the disposition of assets in sites designated for space reduction.

APPLICABILITY: This policy applies worldwide to Digital personnel involved in the disposition of assets relating to space reduction.

STATUS: APPROVED 23-Oct-1992; use VTX SMC for current status.

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Waste Management

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APPROVAL: This document has been reviewed and approved by the Manager of the Waste Management group.

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1 OBJECTIVE

The objective of this policy is to establish guidelines for the disposition of assets in sites designated for space reduction.

2 SCOPE

This policy applies worldwide.

3 POLICY

This policy is designed to be used as a guideline by Digital organizations for the disposition of assets in sites designated for space reduction. Geographies outside the U.S. may develop their own procedural documentation if this document does not meet local business needs or ensure the appropriate disposition of assets in support of this policy.

4 PROCEDURES

When a space reduction or site closure activity has been determined, the site manager will proceed as follows.

1. **Notify the Corporate Idle Asset Manager.** Contact the Corporate Idle Asset Manager to assist in developing the Disposition of Assets Plan specific to the site. (If the Corporate Idle Asset Manager is unknown, contact the Corporate Waste Management organization.)
2. **Form a core team.** The site manager shall create a core team responsible for developing a Disposition of Assets Plan.
 - At a minimum, the core team should consist of members from the following organizations, in addition to the Corporate Idle Asset Manager.
 - The Business Unit
 - Environmental Health and Safety
 - Facilities (Site Operations and Security)
 - Finance
 - Personnel
 - As required (depending on the size and scope of activities), personnel from other functional disciplines should be added to the core team. The functional disciplines could include:
 - Digital Idle Assets Listing (DIAL)
 - Distribution
 - External Relations
 - Information Services and Technology
 - Mail
 - Law
 - Property Disposition Center (PDC)
 - Purchasing
 - Real Estate/Property Development
 - Records Management
 - Materials

3. **Generate a Disposition of Assets Plan.** The Disposition of Assets Plan will identify the process by which major classes or categories of assets will be redeployed, liquidated, or both.

Initially, the only detail required may be the identification of an entire category of assets and the process for disposal. As more details become available (that is, lists of equipment), specific disposition plans shall be generated in accordance with the *Corporate Waste Management Policies and Procedures Manual*.

The various categories of assets to consider include:

- Manufacturing process equipment and inventories transferring to another plant site
- Building or Lease Hold Improvements remaining with the building
- Scrap items
- Miscellaneous items of value to be listed on DIAL
- Asset/Inventories/Expense to be sold back by local Purchasing or Purchasing Commodities group
- Items to be sold to employees as part of Transition Financial Support Option (TFSO) or other program
- Items being donated
- Items to be sold as part of the Extended Enterprise Program
- Items to be sold by bid, auction, barter, and so forth

NOTE

ITAR (International Traffic in Arms Regulations) controlled parts must not be sold. Notify the Area Export Control Administrator for method of disposition.

4. **Approve and implement the plan.** The site manager and controller shall approve and implement the Disposition of Assets Plan.
5. **Write off scrap.** The assets designated as scrap and dispositioned to the PDC shall be written off according to the *Corporate Accounting and Reporting Manual*.
6. **Finalize the plan.** Upon completion of the disposition of the assets as outlined in the plan, the site manager and controller shall sign the plan as completed. Copies shall be distributed to appropriate management, including the Corporate Idle Asset Manager.

5 RESPONSIBILITIES

The responsibilities of the various Digital personnel involved in the disposition of assets are addressed in this head.

Corporate Idle Asset Manager:

- Revises and updates this policy as required.
- Provides Corporate direction for the disposition of idle assets.
- Assists the site manager and controller in developing a Disposition of Assets Plan.
- Retains copies of Disposition of Assets Plans and supporting documentation.

Corporate Purchasing Manager—Waste Management:

- Assures that the appropriate policies and procedures are in place to carry out the purchasing activities in this policy and that such policies and procedures are in accordance with the *Corporate Purchasing Policies and Procedures Manual*.
- Provides Corporate Purchasing direction as required.

Site Manager:

- Contacts the Corporate Idle Asset Manager for assistance, once the decision for space reduction has been made.
- Working with the Corporate Idle Asset Manager, implements the process as outlined in this policy.
- Ensures the appropriate disposition of assets according to Corporate Waste Management policies and the *Corporate Accounting and Reporting Manual*.

Controller:

- Assists the site manager with implementation of the process as outlined in this policy.
- Performs a complete physical inventory of all Digital property, including fixed assets and inventory, and expensed items assigned to the site.
- Ensures that internal controls are in place to provide the safeguarding and appropriate disposition of all assets.
- Obtains a list of ITAR controlled products from the DIAL Administrator and works with the Area Export Control Administrator to ensure appropriate disposition.

APPENDIX A REFERENCED DOCUMENTS

A.1 Digital Documents

Document Number	Document Title
	<i>Corporate Accounting and Reporting Manual</i>
	<i>Corporate Purchasing Policies and Procedures Manual</i>
	<i>Corporate Waste Management Policies and Procedures</i>

A.2 Ordering Information

Corporate Accounting and Reporting Manual is available on VTX. Type VTX CORPFIN.

Corporate Purchasing Policies and Procedures Manual is available on VTX. Type VTX PVTX.

Corporate Waste Management Policies and Procedures Manual is available on VTX. Type VTX WASTE.

APPENDIX B RELATED DOCUMENTS

B.1 Digital Documents, EL-Class

EL-Class Number	Document Title
EL-CP758-00	<i>Corporate Waste Management Policy—Principles of Waste Management</i>
EL-CP758-02	<i>Corporate Waste Management Policy—Disposition and Reclamation of Inventory and Fixed Assets</i>

B.2 Digital Documents, Other Than EL-Class

Document Number	Document Title
301-06	<i>Corporate Accounting and Reporting Manual—Sales to Employees</i>
301-18	<i>Corporate Accounting and Reporting Manual—Disposition of Excess, Obsolete, and Scrap Inventory</i>
301-22	<i>Corporate Accounting and Reporting Manual—Charitable Contributions</i>
304-03	<i>Corporate Accounting and Reporting Manual—Physical Inventory of Property, Plant, and Equipment</i>
304-04	<i>Corporate Accounting and Reporting Manual—Disposition of Property, Plant, and Equipment</i>
	<i>Corporate Policy 2-2, Digital Business Ethics</i>

B.3 Ordering Information

The *Corporate Accounting and Reporting Manual* is available on VTX. Type VTX CORPFIN.
Corporate Policy 2-2 is available on VTX. Type VTX CORP_POL.

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